Office of the Legislative Auditor

State of Montana

Report to the Legislature

June 1993

Financial-Compliance Audit

For the Two Fiscal Years Ended June 30, 1992

Teachers' Retirement Division

Department of Administration

This report contains an unqualified opinion on the financial schedules and does not contain any recommendations.

Direct comments/inquiries to:
Office of the Legislative Auditor
Room 135, State Capitol
Helena, Montana 59620

92-16

FINANCIAL-COMPLIANCE AUDITS

Financial-compliance audits are conducted by the Office of the Legislative Auditor to determine if an agency's financial operations are properly conducted, the financial reports are presented fairly, and the agency has complied with applicable laws and regulations which could have a significant financial impact. In performing the audit work, the audit staff uses standards set forth by the American Institute of Certified Public Accountants and the United States General Accounting Office. Financial-compliance audit staff members hold degrees with an emphasis in accounting. Most staff members hold Certified Public Accountant (CPA) certificates.

The Single Audit Act of 1984 and OMB Circular A-128 require the auditor to issue certain financial, internal control, and compliance reports regarding the state's federal financial assistance programs, including all findings of noncompliance and questioned costs. This individual agency audit report is not intended to comply with the Single Audit Act of 1984 or OMB Circular A-128 and is therefore not intended for distribution to federal grantor agencies. The Office of the Legislative Auditor issues a statewide biennial Single Audit Report which complies with the reporting requirements listed above. The Single Audit Report for the two fiscal years ended June 30, 1991 has been issued. Copies of the Single Audit Report can be obtained by contacting:

Office of the Legislative Auditor
Room 135, State Capitol
Helena, MT 59620

STATE OF MONTANA

Office of the Legislative Auditor

STATE CAPITOL
HELENA, MONTANA 59620
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LEGISLATIVE AUDITOR:
SCOTT A. SEACAT

LEGAL COUNSEL:
JOHN W. NORTHEY

DEPUTY LEGISLATIVE AUDITORS:
MARY BRYSON
Operations and EDP Audit
JAMES GILLETT
Financial-Compliance Audit
JIM PELLEGRINI
Performance Audit

June 1993

The Legislative Audit Committee
of the Montana State Legislature:

This is our financial-compliance audit report on the Teachers' Retirement Division of the Department of Administration for the two fiscal years ended June 30, 1992. We thank the administrator and his staff for their assistance and cooperation.

Respectfully submitted,

Scott A. Seacat
Legislative Auditor

Office of the Legislative Auditor

Financial-Compliance Audit
For the Two Fiscal Years Ended June 30, 1992

Teachers' Retirement Division

Department of Administration

Members of the audit staff involved in this audit were: Kari D. Brustkern, Shawn F. Bubb, Jeane Carstensen, Renee Foster, Wayne D. Guazzo, Tori Hunthausen, Paul J. O'Loughlin, and Julie Quist.

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Appointed and Administrative Officials

Retirement Board

		Term Expires
James E. Cowan, Chairman	Seeley Lake	1996
W. Craig Brewington	Missoula	1994
E. Joseph Cross	Billings	1995
Nancy Trackwell	Great Falls	1993
John U. Kranick	Great Falls	1993
Nancy Keenan Superintendent of Public Instruction	Ex-officio	

Administrative Officials

David L. Senn, Administrator

Gary Warren, Assistant Administrator

Introduction

We performed a financial-compliance audit of the Teachers' Retirement Division (division) for the two fiscal years ended June 30, 1992. The audit objectives were to:

1. Recommend improvements in the division's management and internal controls.
2. Determine the division's compliance with applicable laws and regulations.
3. Determine if the financial schedules present fairly the results of the division's operations for the two fiscal years ended June 30, 1992.

Background

The Montana Teachers' Retirement System, established by state law in 1937, currently has more than 16,643 active members and 1,167 vested inactive members. Approximately 6,927 retirees or their beneficiaries received retirement, disability, or survivor benefits in June 1992.

A six-member retirement board governs the retirement system. The responsibilities of the board include:

1. Establishing rules and regulations necessary for the proper administration and operation of the retirement system.
2. Determining the eligibility of a person who is applying for membership in the system.
3. Granting retirement, disability, and other benefits under the provisions of Title 19, chapter 4, MCA.
4. Designating an actuary to provide consultation on the technical actuarial aspects of the retirement system.

Except as noted below, all full-time members of the teaching profession are required to be members in the Teachers' Retirement System. By law, eligible employees of the university system are allowed to waive participation in the Teachers' Retirement System and elect to participate in an optional retirement plan, Teachers' Insurance and Annuity Association - College Retirement Equities Fund (TIAA-CREF).

Contributions from active members, their employers, and earnings on the system's investments fund the retirement system. Active members' contributions are 7.044 percent of their earned compensation, while employers contribute 7.459 percent of the earned compensation of each member employed. Because of the current method in which contributions are made, the contributions are exempt from income tax to the employees until benefits are drawn against those contributions. The Montana Board of Investments invests assets of the system.

The division contracts for an actuarial valuation of the retirement system; the most recent valuation was completed as of July 1, 1992. The purpose of the valuation is to determine the financial position of the fund, the normal cost, and the unfunded accrued liability based upon present and prospective assets and liabilities of the system. The actuary uses the entry age actuarial cost method in the valuation. The results of the actuary's July 1, 1992 valuation indicate the system is funded on an actuarially sound basis and the unfunded accrued liability was $579,400,000 as of July 1, 1992. The amortization period for the current unfunded liability is 34.9 years at July 1, 1992.

Prior Audit Recommendations

Our prior audit report, issued for the two fiscal years ended June 30, 1990, contained no recommendations to the division.

Independent Auditor's Report & Agency Financial Schedules

Summary of Independent Auditor's Report

Summary of Independent Auditor's Report

The financial schedules are from the Statewide Budgeting and Accounting System (SBAS) and actuarial information provided by the division's actuary, without adjustments for errors, if any, noted during the audit. The auditor's opinion issued in this report is intended to convey to the reader of the financial schedules the degree of reliance which can be placed on the amounts presented. We issued an unqualified opinion on the Teachers' Retirement Division financial schedules for the two fiscal years 1990-91 and 1991-92. An unqualified opinion indicates schedules are fairly stated in all material respects and the user can rely on the information presented.

The 10-year trend information contained in Appendix B has not been audited by us and we express no opinion on it. However, we applied limited procedures regarding method of measurement and presentation of the information.

STATE OF MONTANA

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STATE CAPITOL
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INDEPENDENT AUDITOR'S REPORT

The Legislative Audit Committee
of the Montana State Legislature:

We have audited the accompanying financial schedules of the Teachers' Retirement Division as shown on page A-4 through A-12. The information contained in these financial schedules is the responsibility of the division's management. Our responsibility is to express an opinion on these financial schedules based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial schedules are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosure in the financial schedules. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial schedule presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in note 1, the financial schedules are presented on a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial schedules referred to above present fairly, in all material respects, the financial position of the Teachers' Retirement Division as of June 30, 1992 and the results of operations and changes in fund balances of the division for the two years ended June 30, 1991 and 1992, in conformity with the basis of accounting described in note 1.

The trend information contained in Appendix B is not a required part of the basic financial schedules but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Respectfully submitted,

James Gillett, CPA
Deputy Legislative Auditor

February 25, 1993

TEACHERS' RETIREMENT DIVISION
SCHEDULE OF ASSETS, LIABILITIES, AND FUND BALANCE
PENSION TRUST FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 1992

	1992
ASSETS:	
Cash	$ 6,075,192
Investment Receivable	13,120,143
Accounts Receivable	6,816,532
Investments (net)	812,388,749
Deferred Losses	962,822
Land and Buildings	193,844
Less: Accumulated Depreciation	83,429
Equipment	79,411
Less: Accumulated Depreciation	49,539
Intangible Assets	1,491
Total Assets	839,505,216
LIABILITIES AND FUND BALANCE:	
Accounts Payable	379,076
Accrued Expenditures	45,679
Property Held in Trust	(517)
Compensated Absences	17,275
Total Liabilities	441,513
NET ASSETS AVAILABLE FOR BENEFITS/FUND BALANCE	$ 839,063,703

FUND BALANCE[1]	
Pension Benefit Obligation (PBO)	
Retirees and Beneficiaries	
Currently Receiving Benefits	$ 590,740,128
Terminated Employee not	
Receiving Benefits	31,276,067
Current Employees:	
Accumulated Employee Contributions	407,440,993
Employer Financed:	
Vested	400,122,501
Nonvested	19,902,705
Total PBO	$1,449,482,394
Unfunded PBO	(610,418,691)
TOTAL FUND BALANCE	$ 839,063,703

[1]See note 8 on page A-10.

This schedule is prepared from the Statewide Budgeting and Accounting System and actuarial information provided by the division's actuary. Additional information is provided in the notes to the financial schedules beginning on page A-6.

TEACHERS' RETIREMENT DIVISION
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE
PENSION TRUST FUND
FOR THE TWO FISCAL YEARS ENDED JUNE 30, 1992

	1992	1991
Revenues		
Employee Contributions	$ 34,677,331	$ 32,611,152
Employer Contributions	34,689,055	32,410,885
TIAA-CREF Contributions	1,070,065	863,942
Investment Income and Dividends	70,502,872	66,844,998
Total Revenue	140,939,323	132,730,977
Expenses		
Benefits	60,763,610	54,869,861
Refunds	3,307,313	4,243,420
Administration	671,089	475,224
Depreciation Expenses	13,328	12,944
Total Expenses	64,755,340	59,601,449
Excess Revenues over Expenses	76,183,983	73,129,528
Other Sources		
Transfers In	1,518,564[1]	159,824
Excess Revenues over Expenses and Other Sources	77,702,547	73,289,352
Beginning Fund Balance	761,504,113	689,225,148
Prior Year Adjustments	(128,888)	(1,010,350)[2]
Direct Entries to Fund Balance	(14,069)	(37)
Ending Fund Balance	$839,063,703	$761,504,113

[1]See note 5 on page A-8.

[2]See note 6 on page A-8.

This schedule is prepared from the Statewide Budgeting and Accounting System. Additional information is provided in the notes to the financial schedules beginning on page A-6.

1. Summary of Significant Accounting Policies

Basis of Accounting

The Teachers' Retirement Division is a component of the state of Montana and uses the accrual basis of accounting for its Pension Trust Funds. Under the comprehensive basis of accounting, as defined by state accounting policy, the division records revenues in the accounting period earned, if measurable, and records expenses in the period incurred, if measurable.

Expenses may include entire budgeted service contracts even though the division received the services in a subsequent fiscal year; goods ordered with a purchase order before fiscal year-end, but not received as of fiscal year-end; and equipment ordered with a purchase order before fiscal year-end.

Basis of Presentation

The financial schedule format is in accordance with the policy of the Legislative Audit Committee. The financial schedules are prepared from the Statewide Budgeting and Accounting System (SBAS) and actuarial information provided by the division's actuary. Accounts are organized in funds according to state law. The division uses the following fiduciary funds.

Trust Funds - to account for assets held by the state in a trustee capacity or as an agent for individuals, private organizations, other governments or other funds. The division fiduciary funds includes the Pension Trust Fund and Expendable Trust Fund. The Pension Trust Fund is used to account for the Teachers' Retirement System. The Fullam Trust Fund is a teacher's estate bequest to the Teachers' Retirement System. This trust is recorded on SBAS in the Expendable Trust Fund. Because the Fullam Trust Fund was bequeathed to the Teachers' Retirement System, it is included in the Pension Trust Fund for financial reporting purposes.

Valuation of Investments - The division's investments are managed as part of the Unified Investment Program administered by the Board of Investments. The board must employ the "Prudent

Expert Rule" in managing the state's investment portfolio. The prudent expert rule requires investment managers to discharge duties with care, skill, prudence, and diligence. The rule also requires the manager to diversify the holding of each fund within the unified investment program to minimize the risk of loss and to maximize the rate of return.

The retirement fund records equity securities at cost and debt securities at amortized costs. Up to 50 percent of the book value of each retirement fund's investments may be invested in common stocks. However, state law requires that no more than 2 percent of the book value of a retirement fund may be invested in a single corporation. State law also allows the board to invest up to 3 percent of retirement funds in venture capital companies. The market value of the investments was $965,470,286 as of June 30, 1992.

Loss on Bond Swaps - The deferral and amortization method was used to account for gains and losses on bond swaps. The unamortized deferred gains or losses are written off over the life of either the bond sold or acquired, whichever is less. The division had net unamortized deferred losses in fiscal year 1991-92 of $962,822 (unamortized deferred gains of $7,820,533 less unamortized deferred losses of $8,783,355).

2. Compensated Absences

Employees at the division accumulate both annual and sick leave. The division pays employees for 100 percent of unused annual and 25 percent of unused sick leave credits upon termination.

3. Pension Plan

Employees of the Teachers' Retirement Division are covered by the Montana Public Employees' Retirement System (PERS). The division's contribution to PERS was $13,373 in fiscal year 1990-91 and $15,398 in fiscal year 1991-92.

4. Unfunded Accrued Liability

The method of funding employed in the actuarial valuation of the retirement systems as of July 1, 1992, is commonly referred to as the entry age actuarial cost method. This method establishes a normal cost of the system, as well as an unfunded percentage of total salaries required to fund the benefits, assuming this percentage had been contributed since each member's entry into the system.

The unfunded accrued liability represents the excess of the present value of total liabilities over the present value of total assets of the system and the present value of expected future contributions for normal costs. The unfunded accrued liability calculated by the system's actuary was $579,400,000 as of June 30, 1992. The amortization period of the unfunded liability was determined to be 34.9 years.

The results of the July 1, 1992 valuation indicate the system was funded on an actuarially sound basis. This means that the present employee/employer contribution rate is sufficient to fund the unfunded liability and the benefits as they accrue.

5. Transfers In

Effective calendar year 1991, certain members of the Teachers' Retirement System, who, for tax purposes are also Montana residents, are eligible to receive an annual adjustment to offset the state taxation of retired benefits. This adjustment is funded through a transfer from the state General Fund that accounts for $1,432,670 of the total transfers-in of $1,518,564 in fiscal year 1991-92.

6. Prior Year Adjustment

Most of the prior year adjustment activity of $1,010,350 in fiscal year 1990-91 is prior year revenue adjustments related to investment activity. The transactions initiated by the Board of Investments relate to adjustments and errors for investment activity that occurred in previous years.

7. Description of Plan

The Teachers' Retirement Board is the administrator of a mandatory multiple-employer, cost-sharing system which provides retirement services to all persons in Montana employed as teachers or professional staff of any public elementary or secondary school, vocational-technical center or unit of the university system. The system was established by the state of Montana in 1937 and is governed by Title 19, Chapter 4, of the Montana Code Annotated.

At June 30, 1992, the number and type of employers participating in the system was as follows:

Local School Districts	421
Community Colleges	3
University System Units	6
State Agencies	11
Total	441

At June 30, 1992, the system membership consisted of the following:

Retirees and Beneficiaries Currently Receiving Benefits	6,926
Terminated Employees Entitled to But not yet Receiving Benefits	6,064
Current Members:	
Vested	10,720
Nonvested	5,917
Total Membership	29,627

The pension plan provides retirement benefits and death and disability benefits. Employees with a minimum of 25 years of service or who have reached age 60 with 5 years of service are eligible to receive an annual retirement benefit equal to 1/60 times creditable service years times the average final compensation. Final compensation is the average of the highest three consecutive years of earned compensation. Benefits fully vest after 5 years of creditable service. Vested employees may retire at or after age 50 and receive reduced retirement benefits.

Effective January 1, 1988, university system employees eligible to participate in the Teachers' Retirement System could elect to participate in an Optional Retirement Plan established by the Board of Regents. As of July 1, 1991, a total of 604 eligible university system employees have elected to participate in the Optional Retirement Plan.

Effective January 1, 1990, certain members of the Teachers' Retirement System are eligible to receive a post retirement adjustment. The adjustment is funded by annual interest earnings in excess of the required 8 percent. To be eligible, a retiree or beneficiary must be at least 55 years of age or be receiving a disability or survivor allowance and have been receiving a monthly benefit for 24 months preceding June 30 each year. In fiscal year 1991-92, $1,119,559 was disbursed to eligible recipients.

8. Funding Status and Progress

The pension benefit obligation is a standardized disclosure of the present value of pension benefits, adjusted for the effects of projected salary increases, estimated to be payable in the future as a result of employee service to date. The measure is the actuarial present value of credited projected benefits and is intended to help users assess the system's funding status on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due and make comparisons with other public employee retirement systems. The measure is independent of the actuarial funding method used to determine contributions to the system.

The pension benefit obligation was determined as part of an actuarial valuation at July 1, 1992. Significant actuarial assumptions at June 30, 1992 include (a) a rate of return on the investment of present and future assets of 8 percent per year compounded annually, and (b) projected salary increases of 6.5 percent due to inflation. These same assumptions were used in the actuarial valuation at July 1, 1990.

9. Contributions Required and Contributions Made

The division's funding policy provides for periodic employer and employee contributions at rates specified by state law; contribution requirements are not actuarially determined. An actuary determines the actuarial implications of the funding requirement in an annual actuarial valuation. The actuarial method used to determine the implications of the statutory funding level is the entry age normal funding method, with both normal cost and amortization of the accrued liability determined as a level percentage of payroll. The actuarial valuation prepared as of July 1, 1992, the most recent valuation date, indicates the statutory rate was sufficient to fund the normal cost and to amortize the unfunded accrued liability under the entry age normal method over 34.9 years. During fiscal years 1991-92 and 1990-91, no changes were made in the method used to calculate or establish contribution requirements, nor were there any changes in the law affecting benefits.

Actual contributions made to the system during the fiscal year ending June 30, 1992, were as follows:

Covered payroll	$425,125,516
Employer contributions	$ 35,846,000
--% of covered payroll (R)	7.459
--% of covered payroll (A)	8.432
Employee contributions	$34,677,311
--% of covered payroll (R)	7.044
--% of covered payroll (A)	8.157

(R) Contributions required by statute - (A) Actual contributions

Employer contributions include transfers from the Public Employees' Retirement System.

10. Administrative Expenses

Administrative expenses for the years ended June 30, 1992 and 1991, are outlined below (including Fullam Trust Fund Activity):

	Fiscal Year 1991-92	Fiscal Year 1992-93
Personal Services:		
Salaries	$241,886	$209,929
Other Compensation	2,500	2,200
Employee Benefits	58,965	50,304
Total Personal Services	303,351	262,433
Operating Expenses:		
Contracted Services	252,574	111,836
Supplies and Materials	15,559	11,755
Communications	39,423	32,397
Travel	9,225	6,867
Rent	43,812	42,739
Repair and Maintenance	6,952	5,606
Other Expenses	4,386	2,694
Equipment	226	0
Intangible Assets	931	0
Compensated Absences	(5,352)	(1,103)
Depreciation	11,647	11,299
Amortization	1,681	1,645
Total Operating Expense	381,064	225,735
Total Personal Services and Administrative Expenses	$684,415	$488,168

The division incurred $191,692 and $180,920 of investment expense in fiscal years 1990-91 and 1991-92, respectively. This charge is recorded on SBAS as a reduction to investment earnings.

11. Optional Retirement System

Chapter 494, Laws of 1987, gave the Board of Regents the authority to establish an optional retirement system for members of the Montana University System, effective July 1, 1987. As of June 30, 1992, 604 eligible university system employees have elected to participate in an optional retirement system, Teachers' Insurance and Annuity Association - College Retirement Equities Fund (TIAA-CREF). Under state law, the employer must make a separate contribution to Teachers' Retirement System for those employees under the optional program.

Appendix

APPENDIX

(Unaudited)

The following tables show trend information related to the Teachers' Retirement System. The information presented relates to revenue by source, expense by type, and an analysis of funding progress. This trend information may not agree directly to the financial schedules because of minor differences in the method of combining revenue and expense categories, and prior year revenue adjustments. However, the trend information has been reconciled to the financial schedules and no significant differences exist.

State of Montana

Teachers' Retirement System

Comparative Summary of Revenues by Source

Fiscal Year	Employee Contribution	Employer Contributions	Investment Income	Total
1982-83	$20,786,014	$20,158,344	$ 25,916,847	$ 66,861,205
1983-84	25,018,366	24,103,285	30,338,736	79,460,387
1984-85	26,630,671	26,104,746	35,357,881	88,093,298
1985-86	27,603,165	27,322,124	45,404,420	100,329,709
1986-87	28,883,825	28,401,842	48,820,651	106,106,318
1987-88	28,800,383	28,324,488	51,877,012	109,001,883
1988-89	28,995,301	28,657,283	58,742,650	116,395,234
1989-90	30,549,466	30,646,428	63,748,295	124,944,189
1990-91	32,611,152	33,274,827	67,033,563	132,919,542
1991-92	34,677,311	35,759,120	70,680,973	141,117,404

Comparative Summary of Expenses by Type

Fiscal Year	Benefits Payments	Withdrawals	Admin Expenses	Other	Investment Expenses	Total
1982-83	$25,957,774	$3,405,461	$320,960	$372,869	$93,422	$30,105,486
1983-84	28,791,213	4,230,672	489,981	493,322	100,580	34,105,768
1984-85	32,498,499	4,812,090	334,023	0	104,330	37,748,942
1985-86	37,633,013	4,647,911	378,827	0	133,979	42,793,730
1986-87	40,292,222	4,807,517	442,966	0	125,607	45,668,312
1987-88	44,001,287	6,994,554	443,786	0	310,975	51,750,602
1988-89	47,214,491	5,213,596	474,560	0	179,743	53,082,390
1989-90	51,033,464	8,561,498	520,926	0	166,134	60,282,022
1990-91	54,869,861	4,243,421	485,918	0	191,692	59,790,892
1991-92	60,763,611	3,307,312	684,415	0	180,920	64,936,258

Analysis of Funding Progress
(In Millions of Dollars)

Fiscal Year	1988-89	1989-90	1990-91	1991-92
Net Assets Available for Benefits*	$ 624,755,142	$ 689,225,147	$ 761,462,699	$ 839,020,635
Pension Benefit Obligation	1,107,492,899	1,206,792,010	1,320,000,000	1,449,482,394
Percent Funded	56.4%	57.1%	57.7%	57.9%
Unfunded PBO	482,737,757	517,566,863	558,537,301	610,461,759
Annual Covered Payroll	362,464,600	396,235,432	404,256,229	425,125,516
Unfunded PBO as a Percent of Covered Payroll	133.2%	130.6%	138.2%	143.6%
Employer contributions as a % of annual covered payroll	8.432%	8.231%	7.802%	7.973%

Expressing the net assets available for benefits as a percentage of the pension benefit obligation provides one indication of a Retirement System's funding status on a going-concern basis. Analysis of this percentage over time indicates whether the system is becoming financially stronger or weaker. Generally, the greater this percentage, the stronger the retirement system. Trends in the unfunded pension benefit obligation and annual covered payroll are both affected by inflation. Expressing the unfunded pension benefit obligation as a percentage of annual covered payroll approximately adjusts for the effects of inflation and aids analysis of TRS's progress made in accumulating sufficient assets to pay benefits when due. Generally, the smaller this percentage, the stronger the Retirement System.

*Assets are valued at cost for the System's balance sheet purposes. Net assets are total assets less fund liabilities.

This comparative information is only available from FY 1989 to FY 1992.

Agency Response

TEACHERS' RETIREMENT SYSTEM

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MARC RACICOT, GOVERNOR

STATE OF MONTANA

May 14, 1993

MAY 17 1993

Scott A. Seacat
Legislative Auditor
Room 135, State Capitol
Helena, MT 59620

Dear Mr. Seacat:

I would like to extend the Board's appreciation to the members of the audit team for their considerations and courtesies extended to the staff of the Teachers' Retirement System during the audit for the two fiscal years ending June 30, 1992.

We are also pleased and proud once again to congratulate the staff of the Teachers' Retirement System for a report that contains an unqualified opinion on the financial schedules and does not contain any recommendations. We will continue to work hard to provide the highest quality service possible to the members of the Teachers' Retirement System.

Sincerely,

David L. Senn

David L. Senn
Executive Director

DLS:db